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HOUSE BILL 695

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Miguel P. Garcia

AN ACT

RELATING TO HEALTH COVERAGE; ADDING CERTAIN STATE CONTRACTORS  
AS ELIGIBLE FOR THE SMALL EMPLOYER INSURANCE PROGRAM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-7B-2 NMSA 1978 (being Laws 1989,  
Chapter 231, Section 2, as amended) is amended to read:

"10-7B-2. DEFINITIONS.--As used in the Group Benefits  
Act:

- A. "committee" means the group benefits committee;
- B. "director" means the director of the risk  
management division of the general services department;
- C. "employee" means a salaried officer, employee or  
legislator of the state; a salaried officer or an employee of a  
local public body; or an elected or appointed supervisor of a  
soil and water conservation district;

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1           D. "local public body" means any New Mexico  
2 incorporated municipality, county or school district;

3           E. "professional claims administrator" means any  
4 person or legal entity that has at least five years of  
5 experience handling group benefits claims, as well as such  
6 other qualifications as the director may determine from time to  
7 time with the committee's advice;

8           F. "small employer" means:

9                 (1) a person having for-profit or nonprofit  
10 status that employs an average of fifty or fewer persons over a  
11 twelve-month period; or

12                 (2) a person that has a current contract for  
13 state business specific to health and human services programs  
14 and employs fewer than an average of five hundred persons over  
15 a twelve-month period; and

16           G. "state" or "state agency" means the state of New  
17 Mexico or any of its branches, agencies, departments, boards,  
18 instrumentalities or institutions."

19           Section 2. Section 10-7B-6.1 NMSA 1978 (being Laws 2005,  
20 Chapter 301, Section 4 and Laws 2005, Chapter 305, Section 4)  
21 is amended to read:

22                 "10-7B-6.1. SMALL EMPLOYER HEALTH CARE COVERAGE.--

23                 A. The director may enter into an agreement with a  
24 small employer to voluntarily purchase health care coverage  
25 offered pursuant to the Group Benefits Act for persons and

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1 dependents eligible through the small employer.

2 B. The director may enter into agreements with an  
3 association, cooperative or mutual alliance representing small  
4 employers to provide outreach and assistance for small  
5 employers to voluntarily purchase health care coverage offered  
6 pursuant to the Group Benefits Act for persons and dependents  
7 eligible through the small employer.

8 C. The director shall only permit voluntary  
9 purchase of health care coverage by small employers if the  
10 small employer has not offered health care coverage to persons  
11 and dependents eligible through a small employer for a period  
12 of at least twelve months prior to enrollment in the coverage  
13 offered pursuant to the Group Benefits Act; provided, however,  
14 that the twelve-month waiting period does not apply to a small  
15 employer as defined in Paragraph (2) of Subsection F of Section  
16 10-7B-2 NMSA 1978.

17 D. A separate account shall be maintained for small  
18 employers that voluntarily elect to purchase health care  
19 coverage offered pursuant to the Group Benefits Act to provide  
20 separate accounting, payment and private funding of health care  
21 coverage for small employers. The funds in the small employers  
22 account shall be maintained separately in actuarially sound  
23 condition as evidenced by an annual written certification of a  
24 qualified actuary, including verification that the premiums  
25 charged are actuarially sound in relation to the benefits

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1 provided. This certification shall be filed with the  
2 superintendent of insurance."

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